

VZCZCXRO1395  
PP RUEHBC RUEHDE RUEHIHL RUEHKUK  
DE RUEHNY #0171/01 0760834  
ZNY CCCCC ZZH  
P 170834Z MAR 09  
FM AMEMBASSY OSLO  
TO RUEHC/SECSTATE WASHDC PRIORITY 7422  
INFO RUCNRAQ/IRAQ COLLECTIVE PRIORITY  
RUEHGB/AMEMBASSY BAGHDAD PRIORITY 0099  
RUEHSM/AMEMBASSY STOCKHOLM PRIORITY 3379

C O N F I D E N T I A L SECTION 01 OF 02 OSLO 000171

SIPDIS

E.O. 12958: DECL: 03/17/2019  
TAGS: [EPET](#) [PREL](#) [PGOV](#) [IZ](#) [NO](#)  
SUBJECT: (C) NORWAY'S MORE POSITIVE IRAQ POLICY

REF: A. STATE 21447  
[1](#)B. STATE 18283  
[1](#)C. 2008 OSLO 385  
[1](#)D. 2008 OSLO 387

Classified By: Deputy Chief of Mission Kevin M. Johnson  
for reasons 1.4 b and d

[1](#)1. (C) Summary. Recognizing the improved situation in Iraq and wishing to support President Obama, Norway decided to "even further normalize relations" with Iraq and to consider a possible political level visit. Despite this positive direction, the GON continues to be skeptical to engagement with Iraq and has little internal motivation to act. An external stimulus may be needed to translate these new intentions into action. A key opportunity to push the GON would be a meeting with the Secretary on the margins of the April Antarctic Treaty Ministerial. End Summary.

-----  
GON's Previous Iraq policy  
-----

[1](#)2. (C) PM Stoltenberg withdrew Norway's small contributions to the multi-national effort in Iraq after his election in [1](#)2005. His government (and the public) have remained opposed to any increase in Norwegian activity in Iraq. The GON did continue a small scale program of cooperation with the Iraqi Ministry of Oil and continues to donate humanitarian aid through the UN. For the past year, Norway's main interactions with Iraq have dealt with domestic Norwegian concerns; concluding an agreement on the return of asylum seekers and establishing an Iraqi embassy in Oslo.

[1](#)3. (C) Iraqis comprise the third largest immigrant group in Norway (approximately 22,000) and the number of Iraqis coming to Norway is growing. The number of Iraqi asylum cases has dramatically increased from 2007 and the GON is eager to tighten rules to discourage such immigration and to facilitate their eventual return to Iraq. In previous discussions the GON had insisted upon an asylum agreement before upgrading ties.

[1](#)4. (C) The Iraqi Embassy is now up and running but there is only a regional ambassador at this time. Progress on the asylum agreement has been harder to obtain; during the February visit the GON learned that negotiation authority for the asylum agreement shifted from the Iraqi MFA to PM Maliki's office. The Norwegian MFA views this as a set-back to reaching agreement and on March 11 decided to put that issue on hold.

-----  
Visit to Baghdad Lays the Groundwork  
-----

[1](#)5. (C) The MFA's Iraq desk officer has been active in advocating for greater GON engagement, possesses an excellent knowledge of the situation in Iraq, and visits Baghdad

frequently. In February she visited with the Iraqi MFA, Justice Minister, Information Minister, Minister for Migration and Displacement and the U.S. and other embassies.

¶16. (C) In other meetings, the MFA learned that Iran had been in contact with StatoilHydro, Norway's majority state-owned energy company, about the possibility of opening an office in Baghdad. Iranian officials had long told the MFA and StatoilHydro that an agreement on the Anaran oil field, which straddles the Iraqi-Iranian border, would not be possible until U.S. troops leave Iraq, or a schedule is established for their departure. With the conclusion of the SOFA agreement, the Iranians have apparently concluded that the time is right to push for an MOU on Anaran with the Iraqis and may believe that StatoilHydro could help. The MFA was told by the Iraqis that an MOU with Kuwait was first priority but that they were interested in resolving the Anaran issue with Iran as well. StatoilHydro is now considering the idea of opening a Baghdad office but has not yet decided. (Note: Repeated embassy and USG pressure resulted in a pledge by StatoilHydro to discontinue future Anaran aspirations. Congressional testimony by U/S Burns last summer heightened interest in StatoilHydro's Iranian operations and imposition of possible penalties of the Iran Sanctions Act.)

-----  
Decision on Broad Shift in Policy  
-----

¶17. (C) During a March 11 internal meeting, the GON decided to shift policy on Iraq to something the MFA desk officer

OSLO 00000171 002 OF 002

characterized as "even further normalizing relations." In effect, this means dropping its insistence on an asylum agreement and agreeing to consider a political level visit this year. Responding to a GOI request, the GON also decided to expand its bilateral oil program with the Iraqi Ministry of Oil. The expanded program will include the Norwegian Ministries of Finance and Environment and may involve greater cooperation with the Extractive Industries Transparency Initiative Secretariat (based in Oslo) as well. The question over opening a Norwegian embassy or presence in Baghdad is also being considered. The MFA is also in the process of changing its travel advisory for Northern Iraq to reflect the safer conditions in that area.

-----  
Details to Follow...Need a Push from USG  
-----

¶18. (C) Details on the improved relationship are currently being developed for eventual consideration by the FM. Although our MFA contacts were not willing to share the fine points of their paper, elements in this new plan will include a recommendation on establishing a diplomatic presence in Baghdad, a FM visit to Baghdad, and how the bilateral oil program could be expanded. Separately, but likely in close consultation with the GON, StatoilHydro is certain to be considering the issue of opening an office in Baghdad. These two processes are linked, and although the MFA does not admit to any joint decision making process, they do say that the possibility of establishing a diplomatic presence in Baghdad would increase if StatoilHydro was present in Iraq.

¶19. (C) Comment: A bilateral meeting between the Secretary and FM Stoere would be a perfect opportunity to personally urge Stoere to visit Baghdad and to consider opening a diplomatic presence. Stoere prides himself on close personal relations with fellow leaders and we judge him likely to respond positively to the Secretary. Given the GON's vague commitment to visit Iraq (sometime in the next year) and the general reluctance of the MFA to establish an embassy in Baghdad due to the high costs of security and the absence of any domestic pressure to do so (with the exception of our

energetic ally in the MFA Iraq desk) we believe it important for high-level USG officials to push FM Stoere.

¶10. (C) The issue of StatoilHydro and its involvement in the Anaran field is more complicated given ongoing concerns over StatoilHydro's investments in Iran (South Pars gas field and Anaran) and CEO Helge Lund's very public promises to withdraw from the already existing South Pars investment following recapture of investment cost and to halt further development of Anaran. Although increased StatoilHydro involvement in Baghdad would help facilitate GON re-engagement in Iraq it may also lead to increased investment in Iran, or at least joint investment in the Anaran field. Department may wish to speak with StatoilHydro representatives to shape their decision on Iraq. End Comment.

WHITNEY